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Goschen's *Theory of the Foreign Exchanges*, but is a valuable supplement to that classical work.

A few statements of doubtful accuracy are noted. It is rather strong to say, especially since the events of the last nineteen months: "we can still confidently assert that in England there is an absolutely free gold market" (p. 35). Again, it is not true that "given the short rate [of exchange], we can always find the long rate, and *vice versa*" (p. 47). The gold-exchange standard in any true sense of the word has not been in operation in India "for some twenty years," as the author asserts (p. 123), but its real beginnings can be found only after its formal rejection under the name of "the Lindsay plan" by the Fowler committee in 1898. Considering the large amount of gold in circulation and in the banks of Japan, it is rather far-fetched to say that the currency system of that country resembles India's system (p. 123). There were in circulation, in treasuries and in banks of Japan, at the end of 1913, 140 million yen of gold coin and 122 million yen of gold bullion, as compared with 140 million yen of silver coin and 3½ million yen of silver bullion. The percentage of gold to silver in the Indian circulation, banks, and treasuries is still exceedingly small; the work of maintaining the parity of the rupee with gold resting chiefly on the system of redemption in drafts. There is a false implication in the statement (p. 130) that the sale of Indian council bills after being temporarily suspended in 1893, was later, in 1898, resumed. As a matter of fact, the Secretary of State for India resumed the sale of council bills at market rates the latter part of January, 1894. Exaggerations and slips like these, however, are not common; and for a brief, comprehensive, and elementary treatment of so complicated a subject as foreign exchange, the book, so far as the reviewer can discover, contains very few inaccuracies.

To the American student desirous of familiarizing himself with the workings of the foreign exchange market in the world's greatest foreign exchange center (in normal times), Spalding's book may be strongly recommended.

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NEW BOOKS

ARETZ, P. *Die Entwicklung der Diskontpolitik der Bank von England, 1780-1850.* (Berlin: Heymanns. 1916. Pp. xii, 279. 6 M.)

BAUMGART, W. *Unsere Reichsbank. Ihre Geschichte und ihre Verfassung.* (Berlin: Simion. 1915. Pp. 63.)

BRADY, J. E. *The law of bank checks.* (New York: Banking Law Journ. Co. 1916. Pp. 475. \$4.)

BULLOCK, E. D., compiler. *Agricultural credit.* (White Plains, N. Y.: H. W. Wilson Co. 1915. Pp. xiv, 177. \$1.)

With few exceptions the articles here brought together give such a one-sided account of the rural credit problem that they lead astray, rather than enlighten, the student seeking knowledge. Mis-statements abound. A few examples may be given. "The working capital and number of members of individual associations are so small as to be insignificant, yet they do one third of the banking business of Italy." The banks referred to are the Luzzatti banks, of which in 1908 the average membership was 726 and the average working capital per bank \$326,619; and only 25 per cent of the loans of these associations in 1908 were made to agriculture. (See *Statistica delle Banche Popolari*, Rome, 1911, p. xxv.) "The combined amount of their [Raiffeisen banks] operations in Germany equal that of the commercial banks." If operations means amount of credit granted, the inaccuracy of this statement is shown by the fact that the credit extended by the joint stock banks in 1907 amounted to \$2,000,000,000, whereas the loans made by the Raiffeisen banks in 1910 amounted to only \$248,350,000 (see Cahill, p. 100). "In Germany there is one bank [rural coöperative] to every 1,600 of the population, and the total business done was over \$4,888,000,000." I do not know just what is meant by total business done and the year is uncertain, but I am sure that the statement is grotesque; for one bank to every 1600 of the population would mean over 40,000 banks in Germany, whereas the actual number is about 16,000 (see Cahill, p. 101). The bibliography does not note the writings of George K. Holmes. Though the inconsequential testimony of Mrs. Lund before the subcommittee on banking and currency is listed, the carefully prepared testimony of Mr. C. W. Thompson is not mentioned, nor that of Leonard G. Robinson, Mr. Von Engelken, and others, nor is any general reference made to these hearings.

JESSE E. POPE.

CRAWFORD, J. J. *The negotiable instruments law, from the draft prepared for the commissioners on uniformity of laws. Text of the law with annotations.* (New York: Baker, Voorhis. 1916. Pp. 290. \$3.40.)

DEUMER, R. *Der private Kriegskredit und seine Organisation.* (Leipzig: Duncker & Humblot. 1915. 5.70 M.)

EBERSTADT, R. *Die Kreditnot des städtischen Grundbesitzes und die Reform des Realkredits.* (Jena: Fischer. 1916. 1.50 M.)

MORGAN, D. T. *Land credits. A plea for the American farmer.* (New York: Crowell. 1915. Pp. xvii, 229. \$1.50.)

The author of this book, a member of Congress from Oklahoma,

has been prompted to prepare it on account of the failure of the Sixty-third Congress to enact a rural credits law. This failure was due largely to disagreement as to the amount of aid the national government should grant in the development of rural credits. He analyzes three bills which he claims had the endorsement of the Administration and criticises them as inadequate to furnish the required relief.

Unfortunately the author does not present a clear and definite scheme of constructive policy. He believes that the government should occupy a large part in the proposed reform; that direct loans should be made to farmers out of the funds in the national treasury and that the federal government should guarantee payment of farm-mortgage bonds secured by farm mortgages (pp. 67, 68, 235, 236, 245); that the bank should be "an altruistic, benevolent, or philanthropic enterprise" (p. 88); that the power to issue farm-mortgage bonds should "be centralized in one or a few institutions" (pp. 120-121); that the system of land credit should secure uniformity of interest rates throughout the Union (p. 129); and that the purpose of land credit legislation is to give farmers credit at the very lowest rate of interest possible (p. 139).

The proposals of the author may be regarded as objectionable as many of the features of the bills which he criticises. It would not be easy to advance money to farmers out of an empty treasury, nor would it be a wise policy for the government to become a debtor by the issue of bonds for the sake of having money to lend to other borrowers.

An appendix contains an elaborate legal brief on the constitutionality of exemption of stock and of farm mortgages from taxation, prepared by Mr. H. W. Edgerton of the legislative reference division of the Library of Congress. There is also a very complete index.

JAMES B. MORMAN.

MORMAN, J. B. *Principles of rural credits*. Introduction by J. L. Coulter. (New York: Macmillan. 1915. Pp. xviii, 296. \$1.25.)

In part I, "The methods of financing farmers in European countries," Mr. Morman attempts a digest of the *Report of the American Commission* (Sen. Doc. 214); in part II, "A constructive credit system for American farmers," he attempts to set forth conditions and to outline a system of rural credits adapted to the peculiar needs of American farmers. The report of the American Commission contains much material having little connection with rural credits and abounds in inaccuracies. It is not easy for the average reader to get from it a clear, accurate impression of actual European conditions. But it can scarcely be said that Mr. Morman's digest has made the material in this report more readily available; while he has excluded much extraneous matter, he has rather emphasized the inaccuracies and exaggerations by his failure to give due weight to the many qualifying statements scattered throughout the translated documents. Part II adds little to our knowledge either of the needs

of the American farmer or of the existing agencies for meeting them. Most of what Mr. Morman says has appeared in the popular press of the country and has the shortcomings of this class of writing—it abounds in half truths. In this book Mr. Morman has not done himself credit. There is much evidence of haste; there are many infelicities in English and many misstatements as to facts.

SCHWARTZ, F. *Städtischer Grundkredit und Tilgungshypothek*. (Berlin: Guttentag. 1915. Pp. 91. 2.50 M.)

SCHULZE-GAEVERNITZ and JAFFÉ. *Grundriss der Sozialökonomik*. Part V, vol. 2. *Bankwesen*. (Tübingen: Mohr. 1915. 6 M.)

WOLFF, S. *Das Gründungsgeschäft im deutschen Bankgewerbe*. (Stuttgart: Cotta. 1916. Pp. x, 284. 6.50 M.)

The bank and the individual. (Boston: National Shawmut Bank. 1916. Pp. 28.)

Proceedings of the forty-first annual convention of the American Bankers Association, held at Seattle, Wash., Sept. 6-10, 1915. (New York: F. E. Farnsworth, secretary. 1916. Pp. 725.)

Contains also proceedings of the trust company, savings banks, and clearing house sections.

Rediscounting with the Federal Reserve Bank of St. Louis. (St. Louis: Federal Reserve. 1916. Pp. 58.)

White and Kemble's analysis of the New York, Massachusetts, Connecticut, and Vermont state laws relative to the savings bank investments in the securities of railroad corporations and the application thereof, 1916. (New York: White & Kemble. 1916. Pp. 99. \$15.)

Das schweizerische Bankwesen in den Jahren 1906-1913. (Bern: Stämpfli. 1915.)

Public Finance, Taxation, and Tariff

Government Finance in the United States. By CARL C. PLEHN. The National Science Series, edited by FRANK L. McVEY. (Chicago: A. C. McClurg and Company. 1915. Pp. 166. \$0.50.)

Professor Plehn has undertaken the difficult task of presenting in popular form a view of the facts and tendencies of public finance in this country: difficult because the statistical material, which must form the basis of such a study, is full of pitfalls and does not easily lend itself to clear popular presentation.

Although the book was evidently prepared with some haste, Professor Plehn makes clear the fact that expenditures by all branches of government in this country are increasing rapidly, the directions which this increase is taking, and the causes which